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PACIFIC  TELESIS
Group - Washington

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William F. Caton
Acting Secretary
Federal Communications Commission
Mail Stop 1170
1919 M Street, N.W., Room 222
Washington, D.C. 20554

Dear Mr. Caton:

**Re: RM-8354 Revision of the Commission's Part 64 Requirements for the Filing of
Cost Allocation Manuals by Certain Local Exchange Carriers**

**On behalf of Pacific Bell, please find enclosed an original and six copies of its "Reply
Comments" in the above proceeding.**

**Please stamp and return the provided copy to confirm your receipt. Please contact me
should you have any questions or require additional information concerning this matter.**

Sincerely,



Enclosures

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Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

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NOV 23 1995

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

RM 8354

In the Matter of Revision of the)
Commission's Part 64 Requirement)
for the Filing of Cost Allocation)
Manuals by Certain Local Exchange)
Carriers)
_____)

REPLY COMMENTS OF PACIFIC BELL

Pacific Bell respectfully submits these Reply Comments in response to the Petition for Rulemaking filed by the United States Telephone Association ("USTA") on September 9, 1993 in the above captioned matter. USTA's Petition¹ requests the Commission amend §64.903(a) of its rules to increase the revenue threshold for carriers which are required to file cost allocation manuals ("CAMs") and undertake annual independent audits. USTA proposes a change from a threshold of \$100 million annual operating revenues to \$1 billion annual operating revenues.

Pacific Bell agrees with USTA that the small group of carriers that would be affected by this change is outside the primary regulatory concerns sought to be achieved by the

¹ Petition for Rulemaking of the United States Telephone Association, dated September 9, 1993 ("USTA Petition").

rule.² The extent of Commission oversight required for large carriers engaged in significant nonregulated activity is not warranted for these small group of carriers. The CAM filings, updates and audit requirements are disproportionately burdensome for these carriers. Relief from the CAM filing, updates and audit requirements would free up resources which could be better used to provide direct consumer benefit without loss of Commission's control or oversight. The small group of carriers that would not meet the reporting threshold will continue to be required to comply with the Part 64 accounting rules. Thus, the Commission's control will not be affected in that regard. In addition, the Commission continues to have oversight to verify carriers' compliance with Part 64 rules through other established requirements such as the ARMIS reports, the annual access tariff filing and review process and its ability to conduct other audits or investigations.

² Nevada Bell, an affiliate of Pacific Bell, requested that Nevada Bell be included in the small group of carriers that would be affected by the increased threshold amount. Comments of Nevada Bell, dated November 8, 1993.

Pacific Bell urges the Commission to reexamine the benefit and burden of the CAM filing, updates and audit requirements as applied to the small group of carriers that would qualify for relief by raising the threshold as requested by the USTA Petition.

Respectfully submitted,

PACIFIC BELL

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Date: November 23, 1993

CERTIFICATE OF SERVICE

I, Agnes M. Lowe, hereby certify that a copy of the foregoing Reply Comments of Pacific Bell in the Matter of RM 8345 was served upon the parties listed below on November 23, 1993, by first class United States mail, postage prepaid, or by hand delivery.


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